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9 November 1978

Talking Points on Libya

I. Changes in Libya's International Behavior:

- reduced involvement in international terrorism
- reduced support of regional dissidents
- improved relations with moderate Arabs (e.g. Morocco!)

II. Qadhafi's Motivation Is Expediency

- reaction to Egyptian military threat
- ~~discomfort with Soviet ties~~: Soviet advisors have doubled from 700 to 1,200-1,500 since July 1976
- possible reaction to US trade sanctions
- concern about his increasingly precarious domestic position
 - ° suspicions of officer corps since Umar Muhayshi's unsuccessful coup in 1975 -- tempered by appointment of Qadhafi loyalists to key military jobs and by recent reorganization
 - ° Widespread objections to Greenbook -- tempered by economic prosperity

III. Prospects

- Qadhafi sobered, if not mellowed, by recent experiences
- His position is increasingly tenuous and reliant on repression
- He'll continue to be more cautious.

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Libya

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Lambert Conformal Projection
Standard parallels 8° and 32°
Scale 1:10,550,000

— Railroad
— Road
✈ Airport

Libya's Arms Inventory (Major Weapons)

**Estimated Value of Soviet-bloc Weapons Contracts
1974-1978-\$2.6 billion**

<u>Equipment</u>	<u>Number and Country of Origin</u>
Medium Tanks	700 Soviet/800 Polish/ 600 Czechoslovak
Armored Personnel Carriers	815 Soviet/165 Italian/ 120 Czechoslovak
Artillery	130 Soviet/50 Italian/30 US
Combat-Capable Aircraft	205 Soviet/110 French
Surface-to-Air Missiles	39 Battalions Soviet/ 8 Batteries French
Surface-to-Surface Missiles	40 Launchers Soviet
Submarines	3 Soviet
Frigates	1 British
Missile Patrol Boats	6 Soviet/3 British

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Talking Points on Algeria

I. Boumediene's Health

-- became ill in Damascus in mid-September

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from press & Embassy

II. Mood of uncertainty in Algiers

-- could encourage maneuvering by competing factions

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° one faction wants socialist economy, close ties with USSR, and a hardline stance on Western Sahara

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° other faction favors a less controlled economy, more European than Arab orientation, a truly nonaligned policy

-- behind-the-scenes political maneuvering more likely than a resort to force by these factions

III. Constitutional Succession Process

-- National Assembly President Rabah Bitah becomes chief of state for maximum of 45 days

-- special party congress and presidential election

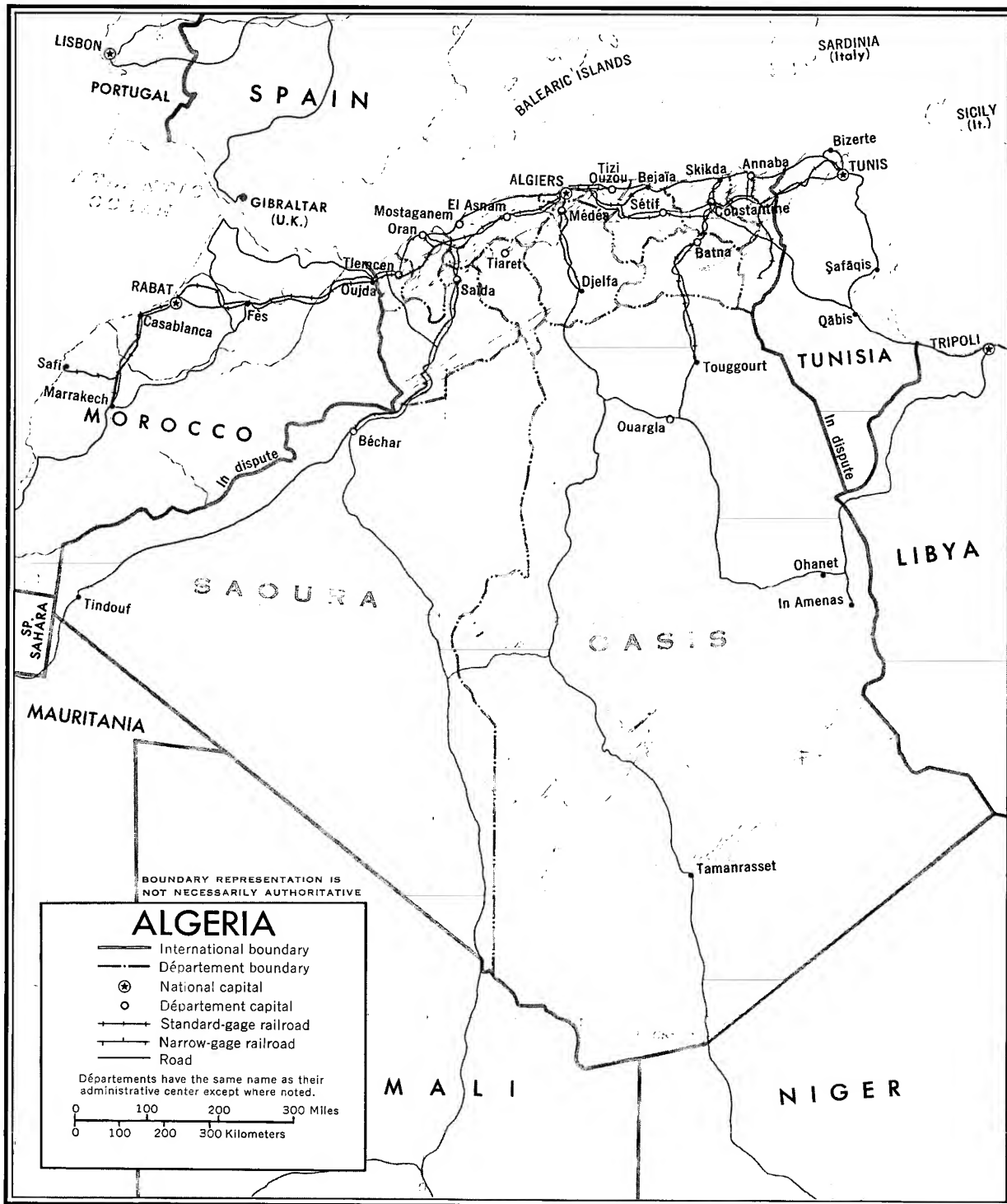
-- key Army officers likely to control future government

IV. Outlook

-- some softening of Algeria's position on Western Sahara

-- other domestic or foreign policy changes unlikely

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